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Special Counsel to Plaintiff and Chapter 11 Trustee,
Richard A. Marshack

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA - SANTA ANA DIVISION

In re:
THE LITIGATION PRACTICE GROUP P.C.,
Debtor.

Case No.: 8:23-bk-10571-SC
Adv. Proc. No. 8:23-ap-01046-SC
Chapter 11

RICHARD A. MARSHACK,
Chapter 11 Trustee,
Plaintiff,

v.

TONY DIAB, an individual; DANIEL S.
MARCH, an individual; ROSA BIANCA LOLI,
an individual; LISA COHEN, an individual;
WILLIAM TAYLOR CARSS, an individual;
ENG TANG, an individual; MARIA EEYA TAN,
an individual; JAKE AKERS, an individual; HAN
TRINH, an individual; JAYDE TRINH, an
individual; WES THOMAS, an individual;
SCOTT JAMES EADIE, an individual; JIMMY
CHHOR, an individual; DONGLIANG JIANG,
an individual; OAKSTONE LAW GROUP PC;
GREYSON LAW CENTER PC; PHOENIX
LAW GROUP, INC.; MAVERICK
MANAGEMENT, LLC; LGS HOLDCO, LLC;
CONSUMER LEGAL GROUP, P.C.; VULCAN
CONSULTING GROUP LLC; B.A.T. INC. d/b/a

**STIPULATION FOR JUDGMENT
(1) AVOIDING, RECOVERING, AND
PRESERVING TRANSFERS TO
DEFENDANT, PHOENIX LAW GROUP,
INC.; (2) TURNING OVER OF ALL
TRANSFERRED PROPERTY TO
TRUSTEE; AND (3) DISMISSING
WITHOUT PREJUDICE DEFENDANTS
WILLIAM TAYLOR CARSS AND
MARIA EEYA TAN**

Judge: Hon. Scott C. Clarkson
Place: Courtroom 5C
411 W. Fourth Street
Santa Ana, CA 92701

1 COAST PROCESSING; PRIME LOGIX, LLC;
2 TERACEL BLOCKCHAIN FUND II LLC;
3 EPPS; EQUIPAY; AUTHORIZE.NET; WORLD
4 GLOBAL; OPTIMUMBANK HOLDINGS, INC.
5 d/b/a OPTIMUM BANK; MARICH BEIN, LLC;
6 BANKUNITED, N.A.; REVOLV3, INC.;
7 FIDELITY NATIONAL INFORMATION
8 SERVICES, INC. d/b/a FIS; WORLDPAY, INC.;
9 WORLDPAY GROUP; MERIT FUND, LLC;
10 GUARDIAN PROCESSING, LLC; THE
11 UNITED STATES POSTAL SERVICE; and
12 DOES 1 through 100, inclusive,

13
14 Defendants.

15 The parties to this Stipulation are Plaintiff, RICHARD A. MARSHACK in his capacity as
16 the duly appointed and acting Chapter 11 Trustee ("Trustee") for The Litigation Practice Group, PC
17 ("LPG" or "Debtor"), and Defendants, PHOENIX LAW, PC ("Phoenix"), WILLIAM TAYLOR
18 "TY" CARSS ("Mr. Carss"), and MARIA EEYA TAN ("Ms. Tan"). Trustee, Phoenix, Mr. Carss,
19 and Ms. Tan are collectively referred to as the "Parties" unless individually identified.

20 RECITALS

21 A. Debtor filed a voluntary petition for relief under Chapter 11 of Title 11 of the United
22 Code, on March 20, 2023 ("Petition Date"). Trustee was appointed on or about May 8, 2023
23 following the entry of an Order Directing United States Trustee to Appoint Chapter 11 Trustee
24 [Bankr. Docket No. 58] on May 4, 2023.

25 B. On May 25, 2023, Trustee filed this adversary proceeding against Phoenix, Mr.
26 Carss, Ms. Tan, and others. In his complaint, Trustee asserted that that Debtor had fraudulently
27 transferred approximately 40,000 client files to Phoenix ("Files"), that the clients never consented
28 to their legal cases being transferred to new counsel, and that these transfers were subject to
avoidance, recovery, and preservation under 11 U.S.C. §§ 548, 550, and 551. With respect to Mr.
Carss and Ms. Tan, Trustee sought injunctive relief with respect to the files transferred to Phoenix
and all matters related to those files.

C. On May 26, 2023, the Bankruptcy Court entered the Amended Order Granting
Trustee Richard Marshack's Omnibus Emergency Motion for: (1) Turnover of Estate Property and

1 Recorded Information Pursuant to 11 U.S.C. § 542; (2) Preliminary Injunction; (3) Lock-Out;
2 (4) Re-Direction of United States Parcel (sic) Services Mail; (5) Order to Show Cause Re:
3 Compliance with Court Order; and (6) Other Relief as Necessary To Efficient Administration of
4 this Matter, ("Order") [ECF No. 21]. Pursuant to the Order, Phoenix, Mr. Carss, and Ms. Tan were
5 enjoined from taking certain actions with respect to the Files and client payments/funds.

6 D. The Parties entered into arms-length negotiations regarding the Files and this
7 Adversary and have reached the agreement set forth below.

8 **NOW THEREFORE, THE PARTIES STIPULATE AND AGREE AS FOLLOWS:**

9 1. The transfers of the Files and all material and property related thereto including, but
10 not limited to, payments, communications, and documents ("Transfers") to Phoenix was fraudulent
11 and Trustee is entitled to Judgment avoiding, recovering, and preserving the Transfers pursuant to
12 11 U.S.C. § 547, 548, and 550.

13 2. The Transfers are property of the estate under 11 U.S.C. § 541(a)(3)-(a)(4) which
14 shall be turned over to Trustee under 11 U.S.C. § 542.

15 3. Phoenix, Mr. Carss, and Ms. Tan shall turn over to Trustee all Transfers including
16 the Files and funds collected from clients pursuant to legal service agreements entered between
17 clients and Debtor and shall fully cooperate with Trustee's efforts to recover and administer the
18 Transfers including the Files and all related materials.

19 4. Any and all liability whether at law or equity relating in any way to Phoenix's
20 handling of the Transfers including the Files that arose or came into existence following the date of
21 their transfer to Phoenix until Trustee closes a court-approved sale to a third-party buyer ("Post
22 Transfer Claims") will remain with Phoenix. Phoenix, Mr. Carss, and Ms. Tan shall use their best
23 efforts to cooperate with Trustee and his retained professionals to provide services to the clients
24 until closing, and nothing herein shall impose or create any liability for Post Transfer Claims on
25 Trustee or Debtor's Estate.

26 5. Mr. Carss and Ms. Tan are dismissed without prejudice upon entry of this Agreed
27 Judgment.

6. Except as expressly set forth, the Parties reserve all rights, claims, and defenses. Because Trustee is not compromising any claims against Phoenix, Mr. Carss, or Ms. Tan, no motion to approve this agreement under Rule 9019 of the Federal Rules of Bankruptcy Procedure shall be required. Should the Court require such a motion prior to entering judgment pursuant to this stipulation, Trustee shall promptly file and seek such approval on an expedited basis.


7. Under Rule 54(b), the Parties stipulate that the judgment to be entered pursuant to this stipulation shall be a final judgment because there is no just reason.

8. The Court shall retain jurisdiction to enforce the terms of this stipulation and the resulting judgment.

Respectfully submitted,

DINSMORE & SHOHL LLP

Date: JUNE 27, 2023


Christopher B. Ghio
Christopher Celentino
Special Counsel to Richard A. Marshack

PHOENIX LAW, PC

Date: JUNE 27, 2023

By: 

Principal Officer

Its: WILLIAM TAYLOR CARSS, ESQ.

Date: JUNE 27, 2023


WILLIAM TAYLOR CARSS

Date: JUNE 27, 2023


MARIA EEYA TAN